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ARIZONA CORPORATION COMMISSION

January 18, 2008

Chairman Mike Gleason
Commissioner William Mundell
Commissioner Kris Mayes
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Re: Contaminated Water for Arizona-American Paradise Valley Customers

Dear Colleagues,

I agree that it is important to have Arizona-American be present at a Special Open Meeting and provide answers to the many questions that the Commission has. I am incredibly concerned that this is the second failure of Arizona-American's water treatment plant in the last two months.

I have visited the well and filtration plant to see first hand the equipment that malfunctioned. I understand that Arizona-American is continuing a more detailed analysis of the malfunction and is working on a long term solution. I personally contacted the City of Scottsdale Police Department, Assistant Chief Duggan, and arranged for the Scottsdale Police to engage in backup notification as well. In addition, Chief Winterstein of the Town of Paradise Valley contributed his calling system to the task of notifying residents affected by the water contamination. I'm continuing to work on the notification deficiencies and ask that the problems with notification be incorporated into the special open meeting briefing by Arizona-American.

I look forward to discussing this matter further.

Sincerely,

A handwritten signature in blue ink, appearing to read "JH Miller".

Jeff Hatch-Miller, Commissioner
Arizona Corporation Commission

cc: Dean Miller
Ernest Johnson
Chris Kempley
Lyn Farmer
Rebecca Wilder
Paul Townsley